

Work Session

Agenda Item #	10
Meeting Date	November 28, 2005
Prepared By	Barbara B. Matthews
Approved By	

Discussion Item	City Manager's Financial Update
Background	The City Manager has historically provided the City Council with periodic financial updates during the fiscal year.
Policy	The City Manager provides the City Council with updates on the City's financial condition to assist the City Council in the performance of its duties.
Fiscal Impact	None
Attachments	General Fund Financial Report for the First Quarter of FY06
Recommendation	For Discussion Only
Special Consideration	

CITY OF TAKOMA PARK
GENERAL FUND
FINANCIAL REPORT
FOR THE THREE MONTHS
ENDED SEPTEMBER 30, 2005

EXECUTIVE SUMMARY

The General Fund supports the day-to-day activities of the City, such as police protection, street and park maintenance, and general administrative functions. The General Fund's activities are supported primarily from two sources: taxes and utility fees and intergovernmental revenues.

Certain General Fund revenues are cyclical in nature. For example, property tax receipts and tax duplication payments are received during a certain period of time during the year. Other revenue sources are received on a monthly basis and, as a result, are more evenly distributed throughout the fiscal year.

The largest single source of revenue for the City's general operations is real property taxes. Total collections as of September 30, 2005 totaled \$510,260, a decrease of \$71,381 from the prior year. The variance is likely attributable to timing differences in the receipt of monies between the two fiscal years.

Similarly, timing differences are the reason for the variance in police protection (state) revenues. A payment of \$119,226 was received shortly after the end of the quarter.

Revenues from recreation programs and services were down by \$16,355 for the same period in the prior year. The variance is primarily attributable to the day camp program. Like other jurisdictions in the area, participation in the City's day camp program was lower than in prior years.

On a comparative basis, it is also important to note the increase in tax duplication payments received from Montgomery County. Revenues from the various duplication payments increased \$359,508 from the prior year.

In FY05, the City borrowed \$2,005,000 for street rehabilitation. The loan proceeds were received during the first quarter of the fiscal year.

Like General Fund revenues, not all fund expenditures occur evenly throughout the fiscal year. For example, contributions to the City's two pension plans are made in December. This can result in "peaks" in expenditures at certain times during the fiscal year.

General Fund expenditures as of the close of the first quarter totaled \$3,788,604 compared to \$3,138,948 in FY05. The majority of the variance is attributable to increased personnel-related expenditures in FY06.

Some variances reflect a different accounting methodology for certain expenditures. For example, expenditures related to the City Clerk's Office are accounted for in a newly created division within the General Government Department. The cost of maintaining the City's gardens, previously accounted for in the Urban Forest Division of Public Works, are now reflected in a separate departmental division. Additionally, car and clothing allowances for all police personnel were previously budgeted in the Office of the Chief. In the FY06 budget, this cost is now allocated to the various departmental divisions.

The position of Grants Manager became vacant during FY05. The position was not filled for the remainder of the year and was subsequently eliminated. Department heads are now responsible for administration of grants received by their departments, with oversight provided by the City Manager and the Finance Department.

Other significant variances occurred in non-departmental expenditures and capital outlay. Non-departmental expenditures were less than in the prior fiscal year due to reduced costs for liability insurance. The City received a credit based on its claims experience in past years, which was applied as an offset to premium in FY06; the City will receive a credit for the next two years as well. Capital outlay expenditures were significantly higher in the first quarter of FY06 compared to the prior year due to the expenditure of street loan proceeds.

**GENERAL FUND REVENUES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2005**

REVENUES BY SOURCE:	Budgeted FY 2006	Actual To Date	Uncollected Revenue	% Collected	Prior Year Actual To Date	Change from Prior Year
<u>Taxes and Utility Fees</u>						
Real Property	7,247,406	510,260	6,737,146	7.04%	581,641	(71,381)
Personal Property	367,425	12,511	354,914	3.41%	0	12,511
RR and Public Utilities	159,750	0	159,750	0.00%	0	0
Penalties and Interest	32,000	3,208	28,792	10.03%	1	3,207
Admission and Amusement	100	0	100	0.00%	0	0
Additions and Abatements	0	(3,697)	3,697	n/a	0	(3,697)
Highway	598,158	90,887	507,271	15.19%	79,204	11,683
Income Tax	1,571,000	138,160	1,432,840	8.79%	125,895	12,265
Total--Taxes and Utility Fees	9,975,839	751,329	9,224,510	7.53%	786,741	(35,412)
Licenses and Permits	66,854	37,468	29,386	56.04%	6,357	31,111
Fines and Forfeitures	162,000	60,306	101,694	37.23%	36,796	23,510
Use of Money and Property	106,000	41,310	64,690	38.97%	23,646	17,664
<u>Charges for Services</u>						
Inspection Fees	220,000	0	220,000	0.00%	(436)	436
Donations	5,000	100	4,900	2.00%	2,300	(2,200)
Public Parking Facilities	54,000	7,141	46,859	13.22%	9,409	(2,268)
Waste Collection & Disposal Charges	76,000	(422)	76,422	-0.56%	(3,450)	3,028
Recreation Programs and Services	225,000	58,194	166,806	25.86%	74,549	(16,355)
Total--Charges for Services	580,000	65,013	514,987	11.21%	82,372	(17,359)
<u>Intergovernmental Revenues</u>						
Police Protection (State)	450,000	0	450,000	0.00%	97,036	(97,036)
Bank Share Tax	5,643	0	5,643	0.00%	0	0
Library Aid	89,670	0	89,670	0.00%	0	0
Police Rebate	552,183	0	552,183	0.00%	0	0
In Lieu of Police	2,344,286	2,322,023	22,263	99.05%	2,061,318	260,705
In Lieu of Roads Maintenance	430,079	430,079	0	100.00%	339,903	90,176
In Lieu of Parks Maintenance	71,670	71,670	0	100.00%	71,740	(70)
In Lieu of Crossing Guard	130,435	130,435	0	100.00%	121,738	8,697
Takoma/Langley Rec. Agreement	100,000	0	100,000	0.00%	0	0
Hotel Motel Tax	65,000	8,462	56,538	13.02%	7,530	932
Cable Franchise Fees	141,932	40,819	101,113	28.76%	39,625	1,194
Cable--Operating	59,448	-	59,448	0.00%	0	0
Total--Intergovernmental Revenues	4,440,346	3,003,488	1,436,858	67.64%	2,738,890	264,598
<u>Miscellaneous</u>						
Advertising--Bus Shelters	4,000	0	4,000	0.00%	0	0
Farmer's Market	3,500	0	3,500	0.00%	0	0
Other	25,000	4,819	20,181	19.28%	9,886	(5,067)
Telephone Commissions	200	173	27	86.50%	51	122
Recyclable Sales	1,000	2,254	(1,254)	225.40%	1,524	730
Insurance Claims	1,000	0	1,000	0.00%	9,439	(9,439)
Mulch Sales	12,000	1,685	10,315	14.04%	2,065	(380)
Passport Services	30,000	6,250	23,750	20.83%	6,644	(394)
Takoma Langley Crossroads	3,333	0	3,333	0.00%	0	0
Special Trash Pickup	8,000	2,601	5,399	32.51%	1,888	713
Sales Tax	0	13	(13)	n/a	10	3
WSSC	25,000	0	25,000	n/a	0	0
WAH Administration Fee	26,000	0	26,000	0.00%	0	0
Day Laborer Site	39,000	39,000	0	100.00%	0	0
Total--Miscellaneous	178,033	56,795	121,238	31.90%	31,507	(13,712)
Total Operating Revenues	15,509,072	4,015,709	11,493,363	25.89%	3,706,309	309,400
Bond/Loan Proceeds	0	0	0	n/a	2,005,000	(2,005,000)
Total Revenues	15,509,072	4,015,709	11,493,363	25.89%	5,711,309	(1,695,600)

**GENERAL FUND EXPENDITURES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2005**

DEPARTMENT:	Budgeted FY 2006	Expenditures To Date	Available Balance	% Unexpended	Prior Year Actual To Date	Change from Prior Year
<u>General Government</u>						
Legislative	96,400	14,769	81,631	84.68%	11,249	3,520
General Management	734,232	173,024	561,208	76.43%	212,785	(39,761)
Finance	406,350	101,995	304,355	74.90%	124,976	(22,981)
Legal	164,150	29,712	134,438	81.90%	43,583	(13,871)
Information Systems	238,166	69,518	168,648	70.81%	63,282	6,236
Human Resources	113,682	23,018	90,664	79.75%	25,350	(2,332)
City Clerk	176,909	17,914	158,995	89.87%	0	17,914
Total--General Government	1,929,889	429,950	1,499,939	77.72%	481,225	(54,795)
<u>Public Safety</u>						
Office of the Chief	302,637	92,001	210,636	69.60%	157,487	(65,486)
Communications	376,492	66,500	309,992	82.34%	71,123	(4,623)
Operations	2,654,709	673,758	1,980,951	74.62%	573,187	100,571
Support Services	655,955	98,460	557,495	84.99%	97,757	703
Administrative Services	623,688	119,043	504,645	80.91%	117,842	1,201
Total--Public Safety	4,613,481	1,049,762	3,563,719	77.25%	1,017,396	32,366
<u>Public Works</u>						
Administration	288,557	59,666	228,891	79.32%	61,365	(1,699)
Building Maintenance	592,380	110,841	481,539	81.29%	118,605	(7,764)
Equipment Maintenance	454,210	90,371	363,839	80.10%	102,520	(12,149)
Right-of-Way	806,150	129,839	676,311	83.89%	167,071	(37,232)
Solid Waste Management	751,213	161,417	589,796	78.51%	165,425	(4,008)
Gardens	149,957	35,324	114,633	76.44%	0	35,324
Urban Forest	204,367	36,091	168,276	82.34%	63,140	(27,049)
City Engineer	173,230	50,056	123,174	71.10%	35,392	14,664
Total--Public Works	3,420,064	673,605	2,746,459	80.30%	713,518	(39,913)
<u>Recreation</u>						
Administration	341,490	77,132	264,358	77.41%	71,519	5,613
Outreach	191,004	44,688	146,316	76.60%	27,973	16,715
TP Recreation Center	183,286	39,581	143,705	78.40%	44,475	(4,894)
Community Programs	78,633	22,042	56,591	71.97%	19,008	3,034
Athletic Fields/Facilities	73,670	4,532	69,138	93.85%	641	3,891
Camps	78,643	26,620	52,023	66.15%	48,435	(21,815)
After School Programs	60,761	7,007	53,754	88.47%	3,837	3,170
Community Center	101,747	0	101,747	100.00%	0	0
Total--Recreation	1,109,234	221,602	887,632	80.02%	215,888	5,714
<u>Housing & Comm. Dev.</u>						
Administration	108,462	21,246	87,216	80.41%	17,561	3,685
Code Enforcement	300,838	65,385	235,453	78.27%	66,804	(1,419)
Landlord-Tenant	129,866	25,850	104,016	80.09%	25,778	72
COLTA	110,930	17,832	93,098	83.92%	20,645	(2,813)
Community Development	301,652	55,162	246,490	81.71%	51,088	4,074
Grants Management	0	0	0	n/a	23,215	(23,215)
Affordable Housing	125,173	15,695	109,478	87.46%	12,540	3,155
Total--Housing & Comm. Dev.	1,076,921	201,170	875,751	81.32%	217,631	(20,146)
Media	347,919	80,857	267,062	76.76%	75,002	5,855
Library	866,172	164,724	701,448	80.98%	160,528	4,196
Debt Service	892,484	250,297	642,187	71.96%	64,620	185,677
Non-Departmental	1,030,976	96,167	934,809	90.67%	173,266	(77,099)
Capital Outlay	1,576,020	620,470	955,550	60.63%	19,874	600,596
Total	16,863,160	3,788,604	13,074,556	77.53%	3,138,948	649,656